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USDOC FOR 3131/USFCS/OIO/ANESA/KREISL  
USDOC FOR 4530/MAC/ANESA/OSA  
ICE HQ FOR STRATEGIC INVESTIGATIONS  
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: COMBAT VEHICLE RESEARCH AND DEVELOPMENT ESTABLISHMENT, MINISTRY OF DEFENSE, AVADI, CHENNAI, LICENSE NO. D366417

REF: USDOC 06617

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. Acting Export Control Officer (ECO) David Nardella and BIS FSN Prem Narayan conducted a Pre-license Check (PLC) at the Combat Vehicle Research and Development (CVRDE), Avadi, Chennai, on January 24, 2007.

¶3. BIS requested a PLC at CVRDE, a Defence Research Development Organization (DRDO) laboratory, Ministry of Defence (MOD), GOI, website: [www.drdo.org](http://www.drdo.org). CVRDE was listed as the Ultimate Consignee; CMC Ltd. (CMC), Mumbai as the Foreign Purchaser and CMC Ltd., Chennai as the Intermediate Consignee for one PIX-515-VPN-3DES: PIX 515E 3DES/AES VPN/SSH/SSL encryption license and one PIX-515E-R-DMZ-BUN: PIX 515E-DMZ Bundle (CHAS, restricted SW, 64MB, 3 FE Ports) controlled under ECCN 5D002 and ECCN 5A992, respectively. The license applicant was Cisco Systems, Inc. (Cisco), San Jose, CA.

¶4. ECO along with FSN Narayan met with S. Sathyamurthy (Sathyamurthy), Additional Director; G. Kannan (Kannan), Scienntist 'G'; Usha Narayanaswami (Usha), Scientist 'F' and G. Harinarayanan, Senior Manager-Customer Services, CMC, Chennai. CMC is the marketing agent, after sales support provider and systems integrator for Cisco in India. Prashant Agrawal (Agrawal), Under Secretary (AMS), facilitated the meeting. Agrawal was also present at the meeting.

¶5. CVRDE officials were not aware of the BIS regulations. This was the first USG or BIS official visit to CVRDE. They were cooperative and forthcoming. They produced the documents before ECO and FSN Narayan to view pertaining to the proposed transaction. Those contained the CVRDE Supply Order and Cisco questionnaire which was completed by CVRDE concerning the BIS export license compliance. Kannan stated that CVRDE has a procedure in place for releasing copies of their documents to foreign mission representatives. He stated that he would route the documents through the proper channel and send them to MEA's Agrawal. In turn, Agrawal greed to send the transaction papers to BIS New Delhi. The ECO and FSN reviewed the proposed transaction documents and determined that the CVRDE Supply Order number matched the Purchase Order number provided in reftel. CVRDE officials were asked by ECO if the products were going to be used in any Nuclear Weapon, CBW, or Missile Applications. ECO was advised no, and told them that such a use would be prohibited.

¶6. CVRDE floated a limited tender for replacing the existing LAN system. CMC on behalf of Cisco submitted the quotation for

supplying the equipment for the new LAN system to be installed at the CVRDE campus. The Cisco LAN system at the CVRDE facility is fully installed and awaiting the Cisco PIX box. Kannan stated that the PIX box on order is a hardware product that will be integrated in the LAN system.

¶7. Kannan and Usha confirmed the stated end-use of the products on order. Kannan stated that CVRDE is engaged in designing and developing of infantry combat vehicles. Once the designs are approved the MOD's different ordnance factories produce these vehicles. CVRDE will use Cisco technology to provide a secure and reliable network infrastructure. The Cisco equipment will be used to support the creation of a campus wide LAN for providing internet services for CVRDE Scientists. Kannan further stated that the secured internet access using VPN firewall technology is required to safeguard the research and development that CVRDE undertakes. The type of data that will be encrypted using Cisco technology is email and internet traffic. The PIX box on order will also protect the system from receiving junk mail, viruses and software hackers. Only CVRDE will have access to the data over the network. Kannan stated that in the earlier system CVRDE used broadband dial up process that was unsafe for email and internet traffic. Kannan confirmed that no remote access is permitted. The systems can be accessed only in the CVRDE campus. Approximately 100 scientists will use the system.

¶8. ECO and FSN Narayan were given a brief tour of the CVRDE Data Center where the Cisco equipment will be installed. Only 12 CVRDE employees will have access to the Data Center. ECO and FSN Narayan noted the Cisco CPU serial number with which the PIX box will be connected. CVRDE building is guarded 24 hours a day.

¶9. Established in 1975, CVRDE is one of the 51 laboratories/research establishments operated by DRDO. CVRDE is responsible for designing and development of armored fighting vehicles. CVRDE's Mechanical Systems Laboratory caters facilities for testing, evaluation and

analysis of major and sub-systems of armored fighting vehicles. It has various facilities for evaluating high speed output engines, fuel injection systems, power packs of armored fighting vehicles, automatic transmission, hydro gas suspension, road wheel and air cleaner. The test facilities help in evaluation of automotive systems in simulated field conditions for their performance before integration in armored fighting vehicles for field trials. CVRDE employs approximately 1,500 personnel including 200 scientists.

¶10. Recommendation: Post recommends the Combat VehiclesResearch and Development Establishment as a reliable recipient of the controlled U.S. origin commodities. All indications are that the listed commodities will be used in accordance with U.S. Export Administration Regulations (DNARDELLA/PNARAYAN) Mulford